



December 25, 2017

## Consolidated Financial Results for the Nine Months of the Fiscal Year Ending February 28, 2018 <under IFRS>

Company name: **PARCO CO., LTD.**  
 Listing: First Section of the Tokyo Stock Exchange  
 Stock code: 8251  
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Scheduled date to file Quarterly Securities Report: January 10, 2018  
 Scheduled date of dividend distribution: –  
 Preparation of supplementary material on quarterly earnings: Yes  
 Holding of quarterly earnings performance review: None

(All amounts have been rounded down to the nearest million yen.)

### 1. Consolidated performance for the nine months of the fiscal year ending February 28, 2018 (from March 1, 2017 to November 30, 2017)

#### (1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
November 30, 2017	68,252	(1.8)	9,660	(22.7)	9,498	(21.0)	6,507	(12.5)
November 30, 2016	69,496	–	12,500	–	12,024	–	7,434	–

  

	Profit attributable to owners of parent		Comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended						
November 30, 2017	6,507	(12.5)	6,522	(13.5)	64.14	–
November 30, 2016	7,434	–	7,544	–	73.28	–

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
November 30, 2017	274,620	124,789	124,789	45.4	1,229.96
February 28, 2017	248,806	120,600	120,600	48.5	1,188.67

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2017	–	11.00	–	12.00	23.00
Fiscal year ending February 28, 2018	–	11.00	–		
Fiscal year ending February 28, 2018 (Forecast)				12.00	23.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending February 28, 2018 (from March 1, 2017 to February 28, 2018)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending February 28, 2018	94,000	0.2	11,600	(18.3)	11,200	(18.1)	7,500	(14.7)	73.92

Note: Revisions to the consolidated earnings forecasts most recently announced: None

\* **Notes**

- (1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
- Changes in accounting policies required by IFRS: None
  - Changes in accounting policies due to other reasons: None
  - Changes in accounting estimates: None
- (3) Number of issued shares (common shares)
- Total number of issued shares at the end of the period (including treasury shares)

As of November 30, 2017	101,462,977 shares
As of February 28, 2017	101,462,977 shares
  - Number of treasury shares at the end of the period

As of November 30, 2017	5,151 shares
As of February 28, 2017	4,591 shares
  - Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the nine months ended November 30, 2017	101,458,155 shares
For the nine months ended November 30, 2016	101,458,642 shares

**\* Quarterly earnings reports are not required to be subjected to quarterly reviews.**

**\* Proper use of earnings forecasts, and other special matters**

Caution concerning forward-looking statements

The forward-looking statements, including earnings forecasts, contained in these materials are based on information available to the Company at the time of the filing and certain assumptions deemed reasonable by the Company. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ significantly due to various unforeseen factors.

Method of accessing supplementary material on quarterly earnings

Supplementary material on quarterly earnings will be disclosed on TDnet, on the date of this report.

Application of International Financial Reporting Standards (IFRS)

The Group has applied the International Financial Reporting Standards (IFRS) from the three months of the fiscal year ending February 28, 2018. Financial figures for the nine months ended November 30, 2016 and the fiscal year ended February 28, 2017 are also presented in accordance with IFRS.

**Condensed quarterly consolidated financial statements**  
**(1) Condensed consolidated statements of financial position**

	As of March 1, 2016 (IFRS transition date)	As of February 28, 2017	As of November 30, 2017
	Millions of yen	Millions of yen	Millions of yen
Assets			
Current assets			
Cash and cash equivalents	6,584	10,522	9,556
Trade and other receivables	9,631	9,837	16,462
Other financial assets	1,312	1,356	786
Inventories	3,738	10,092	20,196
Other current assets	1,656	1,738	1,868
Total current assets	<u>22,923</u>	<u>33,547</u>	<u>48,870</u>
Non-current assets			
Property, plant and equipment	174,096	179,843	188,627
Intangible assets	1,211	1,570	1,487
Investment property	6,839	6,521	8,374
Investments accounted for using equity method	385	50	27
Other financial assets	22,385	21,476	21,273
Deferred tax assets	4,818	2,958	3,072
Other non-current assets	3,000	2,838	2,887
Total non-current assets	<u>212,736</u>	<u>215,258</u>	<u>225,750</u>
Total assets	<u><u>235,659</u></u>	<u><u>248,806</u></u>	<u><u>274,620</u></u>

	As of March 1, 2016 (IFRS transition date)	As of February 28, 2017	As of November 30, 2017
	Millions of yen	Millions of yen	Millions of yen
Liabilities and equity			
Liabilities			
Current liabilities			
Bonds and borrowings	19,299	20,279	19,140
Trade and other payables	23,317	21,310	30,237
Other financial liabilities	1,696	2,056	942
Income tax payables	2,627	1,290	1,855
Provisions	492	1,044	18
Other current liabilities	5,194	8,654	26,224
Total current liabilities	52,627	54,636	78,420
Non-current liabilities			
Bonds and borrowings	35,265	37,882	31,450
Other financial liabilities	30,590	28,154	33,870
Net defined benefit liability	2,468	2,130	2,074
Provisions	1,069	474	509
Other non-current liabilities	29	4,926	3,507
Total non-current liabilities	69,423	73,568	71,411
Total liabilities	122,051	128,205	149,831
Equity			
Share capital	34,367	34,367	34,367
Share premium	35,129	35,129	35,129
Treasury shares	(3)	(4)	(5)
Other components of equity	(285)	(184)	(168)
Retained earnings	44,400	51,292	55,466
Total equity attributable to owners of parent	113,607	120,600	124,789
Total equity	113,607	120,600	124,789
Total liabilities and equity	235,659	248,806	274,620

## (2) Condensed consolidated statements of income

	Nine months ended November 30, 2016	Nine months ended November 30, 2017
	Millions of yen	Millions of yen
Operating revenue	69,496	68,252
Operating cost	(45,731)	(45,984)
Operating gross profit	23,765	22,267
Selling, general and administrative expense	(13,699)	(14,060)
Other income	3,606	2,204
Other expense	(1,171)	(751)
Operating profit	12,500	9,660
Finance income	131	103
Finance cost	(275)	(241)
Share of loss of entities accounted for using equity method	(332)	(22)
Profit before tax	12,024	9,498
Income tax expense	(4,589)	(2,991)
Profit	7,434	6,507
Profit attributable to		
Owners of parent	7,434	6,507
Profit	7,434	6,507
Earnings per share		
Basic and diluted earnings per share (Yen)	73.28	64.14

### (3) Condensed consolidated statements of comprehensive income

	Nine months ended November 30, 2016	Nine months ended November 30, 2017
	Millions of yen	Millions of yen
Profit	7,434	6,507
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	112	(8)
Remeasurements of defined benefit plans	(6)	–
Total amount of items that will not be reclassified to profit or loss	106	(8)
Items that might be reclassified to profit or loss		
Cash flow hedges	40	19
Exchange differences on translation of foreign operations	(36)	4
Total amount of items that might be reclassified to profit or loss	3	24
Other comprehensive income, net of tax	110	15
Comprehensive income	7,544	6,522
Comprehensive income attributable to		
Owners of parent	7,544	6,522
Comprehensive income	7,544	6,522

**(4) Condensed consolidated statements of changes in equity**  
**Nine months ended November 30, 2016**

Equity attributable to owners of parent

	Equity attributable to owners of parent					
	Share capital	Share premium	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of March 1, 2016	34,367	35,129	(3)	(260)	–	(25)
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	112	(6)	40
Total comprehensive income	–	–	–	112	(6)	40
Purchase of treasury shares	–	–	(0)	–	–	–
Disposal of treasury shares	–	(0)	0	–	–	–
Dividends	–	–	–	–	–	–
Transfer to retained earnings	–	–	–	(36)	6	–
Total amount of transactions with owners	–	(0)	(0)	(36)	6	–
Balance as of November 30, 2016	34,367	35,129	(4)	(184)	–	15

Equity attributable to owners of parent

	Equity attributable to owners of parent				
	Other components of equity		Retained earnings	Total	Total
	Exchange differences on translation of foreign operations	Total			
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of March 1, 2016	–	(285)	44,400	113,607	113,607
Profit	–	–	7,434	7,434	7,434
Other comprehensive income	(36)	110	–	110	110
Total comprehensive income	(36)	110	7,434	7,544	7,544
Purchase of treasury shares	–	–	–	(0)	(0)
Disposal of treasury shares	–	–	–	0	0
Dividends	–	–	(2,130)	(2,130)	(2,130)
Transfer to retained earnings	–	(30)	30	–	–
Total amount of transactions with owners	–	(30)	(2,099)	(2,130)	(2,130)
Balance as of November 30, 2016	(36)	(206)	49,735	119,021	119,021



## Nine months ended November 30, 2017

### Equity attributable to owners of parent

	Other components of equity					
	Share capital	Share premium	Treasury shares	Financial assets	Remeasurements of	Cash flow hedges
				measured at fair value through other comprehensive income	defined benefit plans	
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of March 1, 2017	34,367	35,129	(4)	(185)	–	19
Profit	–	–	–	–	–	–
Other comprehensive income	–	–	–	(8)	–	19
Total comprehensive income	–	–	–	(8)	–	19
Purchase of treasury shares	–	–	(0)	–	–	–
Disposal of treasury shares	–	–	–	–	–	–
Dividends	–	–	–	–	–	–
Transfer to retained earnings	–	–	–	–	–	–
Total amount of transactions with owners	–	–	(0)	–	–	–
Balance as of November 30, 2017	34,367	35,129	(5)	(193)	–	39

### Equity attributable to owners of parent

	Other components of equity				
	Exchange differences on translation of foreign operations	Total	Retained earnings	Total	Total
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of March 1, 2017	(18)	(184)	51,292	120,600	120,600
Profit	–	–	6,507	6,507	6,507
Other comprehensive income	4	15	–	15	15
Total comprehensive income	4	15	6,507	6,522	6,522
Purchase of treasury shares	–	–	–	(0)	(0)
Disposal of treasury shares	–	–	–	–	–
Dividends	–	–	(2,333)	(2,333)	(2,333)
Transfer to retained earnings	–	–	–	–	–
Total amount of transactions with owners	–	–	(2,333)	(2,334)	(2,334)
Balance as of November 30, 2017	(14)	(168)	55,466	124,789	124,789

## (5) Condensed consolidated statements of cash flows

	Nine months ended November 30, 2016	Nine months ended November 30, 2017
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	12,024	9,498
Depreciation and amortization expense	3,938	4,155
Impairment loss	168	240
Increase (decrease) in net defined benefit liability	(42)	(56)
Finance income	(131)	(103)
Finance cost	275	241
Share of (profit) loss of entities accounted for using equity method	332	22
Loss (gain) on sales and retirement of non-current assets	(2,719)	104
Decrease (increase) in trade receivables	(4,665)	(6,426)
Decrease (increase) in inventories	(6,463)	(10,103)
Increase (decrease) in trade payables	5,374	7,831
Increase/decrease in other assets/liabilities	7,389	15,853
Other, net	605	156
Subtotal	16,086	21,416
Interest and dividends received	29	25
Interest paid	(372)	(324)
Income taxes paid	(4,696)	(2,643)
Payment resulting from store closing	(163)	(262)
Net cash provided by (used in) operating activities	10,883	18,212
Cash flows from investing activities		
Payments into time deposits	(118)	-
Proceeds from withdrawal of time deposits	238	80
Purchase of property, plant and equipment	(16,535)	(9,010)
Proceeds from sales of property, plant and equipment	7,580	19
Payments for investments in real estates	(25)	(470)
Purchase of investment securities	(2)	(2)
Proceeds from sales of investment securities	195	19
Payments for lease and guarantee deposits	(380)	(377)
Proceeds from collection of lease and guarantee deposits	722	1,060
Other, net	(857)	(411)
Net cash provided by (used in) investing activities	(9,181)	(9,093)
Cash flows from financing activities		
Net increase (decrease) in commercial papers	(1,999)	3,900
Proceeds from non-current borrowings	9,000	-
Repayments of non-current borrowings	(6,630)	(11,470)
Net decrease (increase) in treasury shares	(0)	(0)
Dividends paid	(2,130)	(2,333)
Other, net	(209)	(184)
Net cash provided by (used in) financing activities	(1,970)	(10,088)
Net increase (decrease) in cash and cash equivalents	(269)	(969)
Cash and cash equivalents at beginning of period	6,584	10,522
Effect of exchange rate changes on cash and cash equivalents	(9)	3
Cash and cash equivalents at end of period	6,305	9,556